

Real Estate Assets



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Real Estate Assets



Department Description

The Real Estate Assets Department manages the City's real estate portfolio and directs the operations of Concourse and Parking Garages, QUALCOMM Stadium, and PETCO Park. The Real Estate Assets Department is organized to reflect its core lines of business: Acquisition/Disposition, Asset Management, Valuation, and Corporate Services.

The Acquisition/Disposition Division provides acquisition and relocation services for the City of San Diego including appraisal and acquisition of sites for public facilities, parks, open space, and right-of-way for the Streets Division of General Services. The Division is also charged with cataloging and evaluating City assets to determine which properties are essential for the City's core mission and which can be deemed surplus and made available for disposition. The Division handles the disposition of properties that are determined to be surplus.

The Asset Management Division is responsible for managing the City's diverse real estate portfolio. The Asset Management Division's responsibilities include the administration of over 500 of the City's existing leases, permits, operating agreements, use and occupancy agreements, and sub-leases. Another primary function is the management and administration of redevelopment of existing leaseholds. The Division handles the negotiation of new leases and permits, renews expired leases and permits, calculates and implements rental adjustments, and ensures lease compliance.

The Valuation Division is responsible for planning and directing all the valuation on appraisal projects for the City of San Diego. The Division also conducts special real estate analyses, studies and projects, and interacts with City management, City departments, tenants, and the public on real estate valuation, litigation, and arbitration issues.

The Corporate Services Division is tasked with planning, organizing, and executing transactions that support all of the City's facility needs. The Division works with individual City departments to determine how much space is needed and whether the requirement can be best accommodated through occupancy of City-owned properties, a lease from an outside entity, or the acquisition of a new facility.

The Concourse and Parking Garage special revenue fund provides management for the rental and use of the Community Concourse facilities. In addition, the Department manages the Evan V. Jones Parkade in order to provide parking spaces for employees and the general public. The Community Concourse is comprised of Golden Hall, Plaza Hall, various conference rooms, box offices, administration offices, and support facilities.

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The Department's mission is:

To acquire and manage real estate for the highest public use and benefit, generate maximum revenue through leasing and sales of surplus assets, and maximize the overall financial return of the City's real estate portfolio

Goals and Objectives

The following goals and objectives represent the action plan for the Department:

Goal 1: Professionally manage real estate assets

The City has over 500 leases that generate over \$66.0 million in annual revenue. To maximize this income stream, the City's lease portfolio requires expert management to ensure that the leaseholds continue to perform at their highest possible level. The Department will move toward accomplishing this goal by focusing on the following objectives:

- Exercise effective lease administration
- Improve the value of assets

Goal 2: Optimize the City's assets

The City owns over 3,800 properties with a total size of approximately 120,000 acres. Included in the portfolio are surplus properties that do not directly provide value to the City. The surplus properties are put to use either by leasing them to create revenue for the City or by selling them to generate revenue for the Capital Improvement Fund. The money generated by the leasing and sale of the City's real estate is a vital component of the City's budget. The Department will move toward accomplishing this goal by focusing on the following objectives:

- Develop new revenue sources
- Divest surplus property
- Maximize lease revenue
- Create redevelopment opportunities

Goal 3: Optimize human resources

Management of the City's real estate portfolio requires a staff with high levels of technical competency and professionalism. These skill-sets must be developed and nurtured for the City's real estate portfolio to achieve optimum performance. The Department will move toward accomplishing this goal by focusing on the following objectives:

- Create a culture of success
- Continually improve skills and training

Goal 4: Centralize management of the City's workspace resources

The City has over 10,000 employees and the implementation of an effective facility plan can reduce costs and improve efficiency citywide. The Department will move toward accomplishing this goal by focusing on the following objectives:

- Enhance operational efficiency
- Provide a quality work environment at the best price

Service Efforts and Accomplishments

The Real Estate Assets Department has made many changes in the way it conducts its core functions to ensure that the City's real estate assets are maintained and managed to the highest standards. The Department's changes resulted in the following accomplishments:

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- Completed a comprehensive Portfolio Management Plan of all of the City's properties and leases
- Implemented its state-of-the-art software system (REPortfolio) that replaced the Department's antiquated and outdated mainframe-based system
- Completed scanning paper files to an electronic format for easier access and improved security
- Sold 29 surplus properties with a total value of over \$50.0 million
- Negotiated a 10-year lease for the Family Justice Center that saves the City \$0.5 million per year
- Negotiated a \$20.0 million lease with the school district to occupy two floors of the new Main Library
- Collected over \$2.5 million in annual rent from 98 telecommunication sites
- Entered into 24 new telecommunication agreements that will generate \$2.9 million in revenue to the City over the next 10 years
- Negotiated 33 additional telecom agreements for \$0.8 million in annual revenue
- Conducted over 175 inspections of City lease sites
- Acquired possession of property required for the expansion of Carroll Canyon Road in Mira Mesa
- Acquired property in Mission Hills for the development of the Olive Street Park
- Completed 126 appraisal assignments
- Managed 15 moves, tenant improvements, or reconfigurations (including the Redistricting Commission, the OneSD team, and Neighborhood Code Compliance)
- Utilized newly-implemented software to prepare the Lease Commitments report for the CAFR, and the Fiscal Year 2012 non-discretionary rent budgets in approximately 20 percent of the time required in Fiscal Year 2010
- Sold World Trade Center Building for conversion to a homeless shelter

The parking garages provide parking for more than 1,100 City employees annually. During the past year, the Concourse has been the site for more than 110 events which includes the following:

- Naturalization ceremonies for immigrants becoming United States citizens
- Salvation Army holiday dinners
- Homeless Children's Christmas parties
- California State Bar exams
- Various employment job fairs
- Election Central
- American Best Cheer Competitions

Key Performance Indicators

Performance Measure	Actual FY2011	Estimated FY2012	Target FY2013
1. Amount of revenue collected from leases (G2/O3)	\$66.8M	\$67.0M ¹	\$68.9M
2. Amount of revenue received from telecommunication/ antenna facilities located on City-owned property	\$2.5M	\$2.7M	\$3.0M
3. Number of required appraisals completed	126	160	160

¹ Fiscal Year 2012 figures are based on actual revenues received in REPortfolio as of 2/4/12.



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Department Summary

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Positions (Budgeted)	30.00	29.00	30.00	1.00
Personnel Expenditures	\$ 3,189,049	\$ 3,105,158	\$ 3,338,976	\$ 233,818
Non-Personnel Expenditures	3,945,447	3,947,912	3,810,349	(137,563)
Total Department Expenditures	\$ 7,134,497	\$ 7,053,070	\$ 7,149,325	\$ 96,255
Total Department Revenue	\$ 46,004,103	\$ 42,648,595	\$ 43,731,795	\$ 1,083,200

General Fund

Department Expenditures

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Real Estate Assets	\$ 3,979,141	\$ 4,266,067	\$ 4,511,770	\$ 245,703
Total	\$ 3,979,141	\$ 4,266,067	\$ 4,511,770	\$ 245,703

Department Personnel

	FY2011 Budget	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Real Estate Assets	28.00	27.00	28.00	1.00
Total	28.00	27.00	28.00	1.00

Significant Budget Adjustments

	FTE	Expenditures	Revenue
Addition of Program Manager Addition of 1.00 Program Manager to manage the additional properties acquired from the Redevelopment Agency.	1.00	\$ 178,780	\$ -
Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2012 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.	0.00	54,449	-
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	20,689	-
Equipment/Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	2,205	-
Copier Savings Adjustment to reflect savings resulting from the new convenience copier contract.	0.00	(10,420)	-
Revised Revenue Adjustment to reflect Fiscal Year 2013 revenue projections.	0.00	-	723,094

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Significant Budget Adjustments (Cont'd)

	FTE	Expenditures	Revenue
Mission Bay Park Rents and Concessions Revenue	0.00	-	721,662
Adjustment to reflect revised revenue projections for Mission Bay Park rents and concessions.			
Pueblo Lands Revenue	0.00	-	(98,129)
Adjustment to reflect revised revenue projections from Pueblo Lands.			
Total	1.00	\$ 245,703	\$ 1,346,627

Expenditures by Category

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
PERSONNEL				
Salaries and Wages	\$ 1,896,679	\$ 1,882,660	\$ 2,007,554	\$ 124,894
Fringe Benefits	1,081,237	1,017,856	1,126,191	108,335
PERSONNEL SUBTOTAL	\$ 2,977,917	\$ 2,900,516	\$ 3,133,745	\$ 233,229
NON-PERSONNEL				
Supplies	\$ 19,287	\$ 33,081	\$ 31,965	\$ (1,116)
Contracts	804,191	1,077,734	1,080,694	2,960
Information Technology	148,645	193,892	198,006	4,114
Energy and Utilities	2,305	13,488	13,221	(267)
Other	20,298	42,797	52,851	10,054
Transfers Out	6,498	4,559	1,288	(3,271)
NON-PERSONNEL SUBTOTAL	\$ 1,001,224	\$ 1,365,551	\$ 1,378,025	\$ 12,474
Total	\$ 3,979,141	\$ 4,266,067	\$ 4,511,770	\$ 245,703

Revenues by Category

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Charges for Services	\$ 924,661	\$ 1,420,239	\$ 911,297	\$ (508,942)
Licenses and Permits	197,030	174,272	184,771	10,499
Other Revenue	50,340	-	-	-
Rev from Money and Prop	37,563,748	38,108,280	39,953,350	1,845,070
Transfers In	4,278,788	-	-	-
Total	\$ 43,014,567	\$ 39,702,791	\$ 41,049,418	\$ 1,346,627

Personnel Expenditures

Job Number	Job Title / Wages	FY2011 Budget	FY2012 Budget	FY2013 Proposed	Salary Range	Total
Salaries and Wages						
20000011	Account Clerk	1.00	1.00	1.00	\$31,491 - \$37,918	\$ 36,970
20000134	Associate Management Analyst	1.00	1.00	1.00	54,059 - 65,333	65,333
20000119	Associate Management Analyst	0.00	0.00	1.00	54,059 - 65,333	54,059
20000163	Associate Property Agent	2.00	2.00	2.00	54,059 - 65,333	63,700
20001168	Deputy Director	1.00	1.00	1.00	46,966 - 172,744	116,399
20000924	Executive Secretary	1.00	1.00	1.00	43,555 - 52,666	52,666
20000172	Payroll Specialist 1	1.00	1.00	0.00	33,093 - 39,832	-
20001222	Program Manager	4.00	4.00	5.00	46,966 - 172,744	472,716
20000768	Property Agent	8.00	8.00	8.00	59,363 - 71,760	557,216

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Personnel Expenditures (Cont'd)

Job Number	Job Title / Wages	FY2011 Budget	FY2012 Budget	FY2013 Proposed	Salary Range	Total
20000783	Public Information Clerk	1.00	1.00	1.00	31,491 - 37,918	37,918
20001137	Real Estate Assets Director	1.00	1.00	1.00	31,741 - 173,971	134,889
20000869	Senior Account Clerk	1.00	1.00	1.00	36,067 - 43,514	42,426
20000970	Supervising Management Analyst	1.00	1.00	1.00	66,768 - 80,891	78,464
20001005	Supervising Property Agent	1.00	0.00	0.00	66,768 - 80,891	-
20001003	Supervising Property Agent	3.00	3.00	3.00	66,768 - 80,891	236,116
20000756	Word Processing Operator	1.00	1.00	1.00	31,491 - 37,918	36,970
	Bilingual - Regular					2,912
	Termination Pay Annual Leave					18,800
Salaries and Wages Subtotal		28.00	27.00	28.00		\$ 2,007,554

Fringe Benefits

Employee Offset Savings	\$ 36,964
Flexible Benefits	177,446
Long-Term Disability	13,462
Medicare	28,628
Other Post-Employment Benefits	171,500
Retiree Medical Trust	358
Retirement 401 Plan	1,436
Retirement ARC	527,233
Retirement DROP	15,646
Retirement Offset Contribution	4,845
Risk Management Administration	28,102
Supplemental Pension Savings Plan	88,320
Unemployment Insurance	6,013
Workers' Compensation	26,238
Fringe Benefits Subtotal	\$ 1,126,191
Total Personnel Expenditures	\$ 3,133,745

Concourse and Parking Garages Operating Fund

Department Expenditures

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Concourse & Parking Garage	\$ 3,155,356	\$ 2,787,003	\$ 2,637,555	\$ (149,448)
Total	\$ 3,155,356	\$ 2,787,003	\$ 2,637,555	\$ (149,448)

Department Personnel

	FY2011 Budget	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Concourse & Parking Garage	2.00	2.00	2.00	0.00
Total	2.00	2.00	2.00	0.00

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Significant Budget Adjustments

	FTE	Expenditures	Revenue
Contingency Expenditures Addition of expenditures as a contingency in the event emergency expenditures become necessary.	0.00	\$ 25,000	\$ -
Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2012 negotiated salary compensation schedule, changes to savings resulting from positions to be vacant for any period of the fiscal year, retirement contributions, retiree health contributions, and labor negotiation adjustments.	0.00	589	-
Equipment/Support for Information Technology Adjustment to expenditure allocations according to a zero-based annual review of information technology funding requirements and priority analyses.	0.00	137	-
Non-Discretionary Adjustment Adjustment to expenditure allocations that are determined outside of the department's direct control. These allocations are generally based on prior year expenditure trends and examples of these include utilities, insurance, and rent.	0.00	(14,494)	-
Closure of World Trade Center Parking Structure Reduction of expenditures as a result of the closure of the World Trade Center Parking Structure.	0.00	(55,000)	-
Transfer to the General Fund Reduction of the transfer to the General Fund.	0.00	(105,680)	-
Revised Revenue Adjustment to reflect Fiscal Year 2013 revenue projections.	0.00	-	(263,427)
Total	0.00	\$ (149,448)	\$ (263,427)

Expenditures by Category

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
PERSONNEL				
Salaries and Wages	\$ 125,127	\$ 123,449	\$ 119,884	\$ (3,565)
Fringe Benefits	86,006	81,193	85,347	4,154
PERSONNEL SUBTOTAL	\$ 211,133	\$ 204,642	\$ 205,231	\$ 589
NON-PERSONNEL				
Supplies	\$ 70,270	\$ 123,422	\$ 123,422	\$ -
Contracts	1,286,288	1,595,228	1,550,551	(44,677)
Information Technology	17,180	12,968	13,105	137
Energy and Utilities	71,491	97,463	70,949	(26,514)
Other	1,105	941	2,474	1,533
CIP Contingency	-	-	25,000	25,000
Transfers Out	1,497,889	752,339	646,823	(105,516)
NON-PERSONNEL SUBTOTAL	\$ 2,944,223	\$ 2,582,361	\$ 2,432,324	\$ (150,037)
Total	\$ 3,155,356	\$ 2,787,003	\$ 2,637,555	\$ (149,448)

Revenues by Category

	FY2011 Actual	FY2012 Budget	FY2013 Proposed	FY2012-2013 Change
Rev from Money and Prop	\$ 2,989,536	\$ 2,945,804	\$ 2,682,377	\$ (263,427)
Total	\$ 2,989,536	\$ 2,945,804	\$ 2,682,377	\$ (263,427)

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Personnel Expenditures

Job Number	Job Title / Wages	FY2011 Budget	FY2012 Budget	FY2013 Proposed	Salary Range	Total
Salaries and Wages						
20000011	Account Clerk	1.00	1.00	1.00	\$31,491 - \$37,918	\$ 36,970
20001003	Supervising Property Agent	1.00	1.00	1.00	66,768 - 80,891	78,869
	Right Of Way Cert					4,045
Salaries and Wages Subtotal		2.00	2.00	2.00	\$	119,884
Fringe Benefits						
	Employee Offset Savings				\$	1,188
	Flexible Benefits					12,150
	Long-Term Disability					784
	Medicare					1,723
	Other Post-Employment Benefits					12,708
	Retirement ARC					45,910
	Retirement Offset Contribution					476
	Risk Management Administration					2,084
	Supplemental Pension Savings Plan					6,032
	Unemployment Insurance					345
	Workers' Compensation					1,947
Fringe Benefits Subtotal					\$	85,347
Total Personnel Expenditures					\$	205,231

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Revenue and Expense Statement (Non-General Fund)

Concourse and Parking Garages Operating Fund	FY2011 Actual	FY2012 [*] Budget	FY2013 Proposed
BEGINNING BALANCE AND RESERVES			
Balance from Prior Year	\$ 192,167	\$ 178,944	\$ 238,516
Continuing Appropriations - CIP	—	443,054	519,601
Reserved Balance	668,663	—	—
TOTAL BALANCE AND RESERVES	\$ 860,830	\$ 621,998	\$ 758,117
REVENUE			
Other Centre City Rental	\$ 248,679	\$ 320,804	\$ 241,804
Municipal Parking Garage	2,134,427	2,125,000	1,990,573
HBJ Parking Garage	150,699	50,000	—
Concourse Event Revenue	454,412	450,000	450,000
Lease Penalties	1,319	—	—
TOTAL REVENUE	\$ 2,989,536	\$ 2,945,804	\$ 2,682,377
TOTAL BALANCE, RESERVES, AND REVENUE	\$ 3,850,366	\$ 3,567,802	\$ 3,440,494
CAPITAL IMPROVEMENT PROGRAM (CIP) EXPENSE			
CIP Expenditures	\$ 7,148	\$ 100,000	\$ 50,000
TOTAL CIP EXPENSE	\$ 7,148	\$ 100,000	\$ 50,000
OPERATING EXPENSE			
Operating Expenses	\$ 1,657,467	\$ 2,037,003	\$ 1,993,235
Transfer to the General Fund	1,497,889	750,000	644,320
TOTAL OPERATING EXPENSE	\$ 3,155,356	\$ 2,787,003	\$ 2,637,555
TOTAL EXPENSE	\$ 3,162,504	\$ 2,887,003	\$ 2,687,555
RESERVES			
Continuing Appropriations - CIP	\$ 442,852	\$ 443,054	\$ 519,601
TOTAL RESERVES	\$ 442,852	\$ 443,054	\$ 519,601
BALANCE	\$ 245,010	\$ 237,745	\$ 233,338
TOTAL BALANCE, RESERVES, AND EXPENSE	\$ 3,850,366	\$ 3,567,802	\$ 3,440,494

* At the time of publication, audited financial statements for Fiscal Year 2012 were not available. Therefore, the Fiscal Year 2012 column reflects final budget amounts from the Fiscal Year 2012 Adopted Budget. As such, current fiscal year balances and reserves are estimates of carryover from the previous fiscal year.